

---

**U.S. Senate**  
**Republican Policy**  
**Committee**

---

Don Nickles, Chairman  
Doug Badger, Staff Director



---

**U.S. House**  
**Republican**  
**Conference**

---

John Boehner, Chairman  
Barry Jackson, Executive Director

November 16, 1995

## **A New Direction for Agriculture**

House and Senate Agriculture conferees agreed upon a new direction in American farm policy, allowing farmers to grow what they want when they want, at the same time contributing to a balanced budget by the year 2002. The Balanced Budget Act of 1995 caps farm expenditures so payments decline each year, promoting a transition to a market system.

### **Restores control of farms to the farmer:**

- For the first time in 60 years, farmers will be back in control on their farms deciding what, when and how to plant. Farmers are fed up with complicated programs that require them to count, measure, certify and document every acre and crop on the farm. By eliminating crop-specific acreage bases, the Agricultural Market Transition Act will eliminate the bulk of the paperwork associated with the farm program. For farmers it means less time in the county CFSA office and more time farming. Ultimately, it means fewer federal bureaucrats and smaller government.

### **Friendly to the Environment:**

- To receive payments under the Agricultural Market Transition program, producers would have to meet existing soil conservation and wetlands protections regulations. In addition, the program would no longer tie the farmer to the same crop year after year, which burdens the soil. The bill allows farmers to maintain soil health and fertility through crop rotation and to rely less on chemical fertilizers and pesticides to maintain yields.

### **Provides stable support to farmers:**

- Participating producers will know for certain what the payment would be for the next seven years, thereby assuring a steady transition to a market-oriented program. Marketing loans are retained for commodities to protect against steep price declines without interfering with the marketplace.

### **Major contribution to slowing the rate of growth of federal spending:**

- True to our commitment to balance the federal budget in seven years, this proposal meets the savings required in the Balanced Budget Act. Further, to answer criticisms that the farm program is a "runaway entitlement," this bill, for the first time, places statutory caps on farm program expenditures. Farmers stand to benefit greatly from reduced interest rates due to a balanced budget. House Agriculture Committee analysis estimates this savings to be nearly \$15 billion over seven years.